

Applicant respectfully overcomes and traverses the rejections based on the Barton patent. Specifically, the Office Action fails to set forth a *prima facie* case of obviousness. Reconsideration and allowance of this application are respectfully requested in view of the following.

The Barton patent alone is the basis for the § 103 obviousness rejection. The Barton patent, however, does not teach or suggest all of the claim limitations as is required to establish *prima facie* obviousness. *In re Vaeck*, 947 F.2d 488 (Fed. Cir. 1991). Further, any modification to the Barton patent to establish *prima facie* obviousness impermissibly changes the principle of operation of the patent. *In re Ratti*, 270 F.2d 810 (CCPA 1959).

The Barton patent discloses a system and method for automatically redistributing a user's money to a savings program (*e.g.*, an Individual Retirement Account) upon making a purchase with a debit or credit card. In operation, the user sets up a debit or credit card account and specifies a percentage of each purchase that will be transferred to a specific account. For example, the user may specify that an amount equal to five percent of each purchase using a debit card is transferred into an IRA. The user then makes a purchase, the IRA contribution is calculated, the total amount is deducted from the debit card account, the purchase payment is transferred to a vendor, and the IRA contribution is transferred to the IRA. The contribution is taken from the user's debit card account (*i.e.*, it is the user's money). *See* Barton patent at col. 4, line 15 to col. 9, line 7. Essentially, the Barton patent discloses a forced savings program.

Applicant's invention, however, does not redistribute the user's own money in the form of a contribution. Instead, it uses rewards. A reward is very different from a contribution. A reward is "funded by the financial institution, the partner, or a combination of both" and is

deposited into a reward account. *See* Application at page 15, lines 12-13. The reward can then be redeemed by the user by using the debit card again. To the contrary, the Barton patent teaches transferring the user's money to a user defined account in the form of a contribution funded from the user's own account.

Specifically, each of Applicant's claims require a "reward" to be calculated, stored, credited, activated, reduced, delivered, defined, and/or provided. The Barton patent simply does not teach any of these actions with respect to a "reward."

Claim 1 of the application requires the steps of: (1) *calculating a reward* amount for the user based, at least in part, on purchases made using the debit card during a current period; (2) *crediting the reward* amount generated during the current period to a user reward account; (3) *activating the user reward* amount at the end of the current period; and (4) *crediting* the financial account an amount up to the amount of the purchase in the subsequent period *from the activated user reward account* for purchases made at the preferred retailer. The Barton patent does not teach or suggest these steps. The modification of the Barton patent, which would be necessary to establish *prima facie* obviousness, impermissibly changes the principle of operation of the Barton patent. *In re Ratti*, 270 F.2d 810 (CCPA 1959). The Barton patent cannot be modified to include a third party funded contribution or to calculate, credit, or activate a third party funded reward. Further, to establish *prima facie* obviousness, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981 (CCPA 1974). In this case, however, the Barton patent fails to teach or suggest the above-listed limitations with respect to a reward. Accordingly, the Office Action fails to establish *prima facie* obviousness and claim 1 is nonobvious in light of the Barton patent. The claims dependent upon independent claim 1 are nonobvious for the same reasons. *In re Fine*, 837 F.2d 1071 (Fed. Cir. 1988).

Claim 23 of the application requires the following elements: (1) means for *storing a reward* earned by the user prior to the current period; (2) means for *calculating the reward* earned by the user during the current period; (3) means for *activating the reward* earned during the current period at the end of the current period; (4) means for *crediting* the financial account an amount corresponding to a purchase made during the current period at a preferred retailer, *up to an amount equal to the reward earned* by the user prior to the current period; and (5) means for *reducing the amount of the reward* earned by the user prior to the current period by an amount corresponding to the amount that the financial account was credited. The Barton patent does not teach or suggest these limitations. The modification of the Barton patent, which would be necessary to establish *prima facie* obviousness, impermissibly changes the principle of operation of the Barton patent. *In re Ratti*, 270 F.2d 810 (CCPA 1959). The Barton patent cannot be modified to include a third party funded contribution or means to store, calculate, activate, credit, or reduce a third party funded reward. Further, to establish *prima facie* obviousness, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981 (CCPA 1974). In this case, however, the Barton patent fails to teach or suggest the above-listed limitations with respect to a reward. Accordingly, the Office Action fails to establish *prima facie* obviousness and claim 23 is nonobvious in light of the Barton patent. The claims dependent upon independent claim 23 are nonobvious for the same reasons. *In re Fine*, 837 F.2d 1071 (Fed. Cir. 1988).

Claim 40 of the application requires the steps of: (1) *calculating a reward* amount for the user based, at least in part, on purchases made using the debit card during a period; (2) *crediting the reward* amount generated during the period to a user reward account; (3) *activating the user reward* amount at the end of the period; (4) *electing whether to provide the user reward* amount

to the sponsor or to the financial account; delivering the activated user reward amount to the sponsor when provision of the reward amount to the sponsor has been elected; (5) and *debiting* the amount of the cost of a purchase in a subsequent period from the financial account and crediting the financial account an amount up to the amount of the purchase in the subsequent period *from the activated user reward account* for purchases made at the preferred retailer when provision of the reward amount to the financial account has been elected. The Barton patent does not teach or suggest these steps. The modification of the Barton patent, which would be necessary to establish *prima facie* obviousness, impermissibly changes the principle of operation of the Barton patent. *In re Ratti*, 270 F.2d 810 (CCPA 1959). The Barton patent cannot be modified to include a third party funded contribution or to calculate, credit, activate, elect, or debit a third party funded reward. Further, to establish *prima facie* obviousness, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981 (CCPA 1974). In this case, however, the Barton patent fails to teach or suggest the above-listed limitations with respect to a reward. Accordingly, the Office Action fails to establish *prima facie* obviousness and claim 40 is nonobvious in light of the Barton patent. The claims dependent upon independent claim 40 are nonobvious for the same reasons. *In re Fine*, 837 F.2d 1071 (Fed. Cir. 1988).

Claim 63 of the application requires the steps of: (1) *calculating a reward* based, at least in part, on the comparison of the captured information to the predetermined levels; and (2) *delivering the reward*. The Barton patent does not teach or suggest these steps. The modification of the Barton patent, which would be necessary to establish *prima facie* obviousness, impermissibly changes the principle of operation of the Barton patent. *In re Ratti*, 270 F.2d 810 (CCPA 1959). The Barton patent cannot be modified to include a third party

funded contribution or to calculate or deliver a third party funded reward. Further, to establish *prima facie* obviousness, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981 (CCPA 1974). In this case, however, the Barton patent fails to teach or suggest the above-listed limitations with respect to a reward. Accordingly, the Office Action fails to establish *prima facie* obviousness and claim 63 is nonobvious in light of the Barton patent. The claims dependent upon independent claim 63 are nonobvious for the same reasons. *In re Fine*, 837 F.2d 1071 (Fed. Cir. 1988).

Claim 86 of the application requires the steps of: (1) *defining a reward-generating activity* in terms of selected characteristics of each purchase made by the user from the retailer using the debit card; (2) *calculating a reward* based, at least in part, on the comparison; and (3) *delivering the reward*. The Barton patent does not teach or suggest these steps. The modification of the Barton patent, which would be necessary to establish *prima facie* obviousness, impermissibly changes the principle of operation of the Barton patent. *In re Ratti*, 270 F.2d 810 (CCPA 1959). The Barton patent cannot be modified to include a third party funded contribution or to define, calculate, or deliver a third party funded reward. Further, to establish *prima facie* obviousness, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981 (CCPA 1974). In this case, however, the Barton patent fails to teach or suggest the above-listed limitations with respect to a reward. Accordingly, the Office Action fails to establish *prima facie* obviousness and claim 86 is nonobvious in light of the Barton patent. The claims dependent upon independent claim 86 are nonobvious for the same reasons. *In re Fine*, 837 F.2d 1071 (Fed. Cir. 1988).

Claim 87 of the application requires the steps of: (1) *calculating a reward* amount for the user based, at least in part, on purchases made using the debit card during a current period; (2)

crediting the reward amount generated during the current period to a user reward account; (3) *activating the user reward* amount at the end of the current period; (4) *debiting* the amount of the cost of a purchase in a subsequent period from the financial account and subsequently crediting the financial account an amount up to the amount of the purchase in the subsequent period *from the activated user reward account* for purchases made at the preferred retailer; and (5) *providing a report* to the user at the end of each defined period *identifying, at least in part, the reward amount*. The Barton patent does not teach or suggest these steps. The modification of the Barton patent, which would be necessary to establish *prima facie* obviousness, impermissibly changes the principle of operation of the Barton patent. *In re Ratti*, 270 F.2d 810 (CCPA 1959). The Barton patent cannot be modified to include a third party funded contribution or to calculate, credit, activate, debit, or provide a third party funded reward. Further, to establish *prima facie* obviousness, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981 (CCPA 1974). In this case, however, the Barton patent fails to teach or suggest the above-listed limitations with respect to a reward. Accordingly, the Office Action fails to establish *prima facie* obviousness and claim 87 is nonobvious in light of the Barton patent. The claims dependent upon independent claim 87 are nonobvious for the same reasons. *In re Fine*, 837 F.2d 1071 (Fed. Cir. 1988).

Accordingly, claims 1-87 are nonobvious in light of the Barton patent.

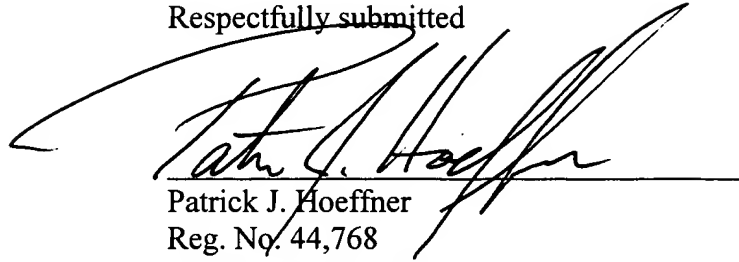
CONCLUSION

For the reasons stated above, the applicants respectfully submit that they have made a patentable contribution to the art. Reconsideration and allowance of this application are respectfully requested.

PETITION

An extension of time is being filed together with this paper.

Respectfully submitted

A handwritten signature in black ink, appearing to read "Patrick J. Hoeffner", is written over a horizontal line. The signature is fluid and cursive.

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ABSTRACT

A system and a method of operating a debit card reward program is disclosed that generates a reward for the cardholder based upon purchases made with the debit card. This reward amount may be applied to subsequent purchases made by the cardholder with the debit card. Additionally, all or a portion of the reward amount may be delivered to a sponsor, such as a charitable institution. ~~In accord with the invention, the cardholder is issued the debit card in conjunction with opening a financial account. This card may be used as a traditional debit card to make purchases, withdraw cash from an ATM, get cash back at point of sale, and so on. The debit card of the invention is used in conjunction with existing transaction networks that support on-line and off-line debit transactions and with all merchants who are capable of accepting payments from consumers using a debit card. A reward is accrued for every purchase conducted at any merchant made using the debit card. In particular, this reward is a varied percentage of every debit card purchase. An and may result in an additional reward is accrued for purchases of selected goods at one or more selected merchant or for purchases that meet selected criteria. A higher percentage of the debit card purchases of these selected goods is accrued as the reward. The total rewards may be enjoyed by the cardholder by purchasing goods at a future visit to the selected merchant. In particular, when the cardholder makes a purchase, the financial account is debited for the full value of the purchase. A reward is then credited to the financial account (up to an amount equal to the value of the purchase but not exceeding the value of the debit card holder's accrued reward), effectively providing a rebate on the purchase.~~

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